

## Focus on companies to combat fraud

Since major anti money laundering legislation was introduced in 2003, we have all become accustomed to producing our ID to banks, lenders, accountants, stockbrokers, estate agents, solicitors and others that we deal with when we are entering into financial commitments. Further laws have been passed to deal with the ever-increasing threat posed by those involved in financial crime, including international crime. Professionals are trained in “know your client” routines as a matter of course.

The latest laws affect companies in particular. These laws give extra responsibilities to the Registrar of Companies, company directors and shareholders and also the Land Registry to make sure that key information is recorded and kept up to date.

It is already the case that a register of overseas entities has to be kept of those entities who own UK land or are intending to acquire property in the UK. Companies need to provide information about their beneficial owners or officers and keep this information up to date. The register is kept by Companies House, and this has been the case since 1<sup>st</sup> August 2022.

The Land Registry in turn has requirements when property changes hands which is either owned by an overseas entity or is being acquired by an overseas entity and in these cases a certificate will need to be produced as well as the memorandum and articles of association (or equivalent) of the company concerned. In the transfer document itself there must be a specific form of words by the signature on behalf of the company which specifies where the company was incorporated and confirms that it was in accordance with the laws of that country.

More recent requirements are that the Registrar of Companies must promote certain basic objectives, to keep the records at Companies House accurate and make sure they do not create a false or misleading impression, and to prevent companies and others from carrying out or facilitating unlawful activities.

To this end when a company is formed the application must contain a statement that the subscribers wish to form a company for lawful purposes, and it must also be stated that none of the subscribers is a disqualified director. Directors must confirm that any director’s ID is verified, and the subscribers must confirm that no one named as a director is disqualified or ineligible to be a director.

There are also new rules for registered offices addresses. These must now be “appropriate” addresses where documents can be sent in the expectation that they will come to the attention of someone acting on behalf of the company and documents can be recorded by an acknowledgment of delivery. Therefore, PO boxes are no longer acceptable.

Companies must also confirm a registered email address with Companies House which will not be published on the register that is available to the public. Email addresses and postal addresses must be updated if they change.

Companies House will now have greater powers to query the information they are being given and to ask for supporting evidence and they will have the ability to note on the register if information appears confusing or misleading. They may also share the data they have on Companies House with other Government departments and Law enforcement agencies.

For further information please see the Companies House and Land Registry websites or of course contact us for further information at Alison Fielden & Co, The Gatehouse, Dollar Street, Cirencester, Gloucestershire, GL7 2AN 01285 653261.